



## Alliance Of Democracies Foundation, Fond

Bredgade 71, 1.  
1260 København K  
CVR No. 39209349

## Annual report 2020

The Board of Directors adopted the annual  
report on 23.06.2021

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**Anders Fogh Rasmussen**

Chairman of the Board of Directors

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# Entity details

## Entity

Alliance Of Democracies Foundation, Fond

Bredgade 71, 1.

1260 København K

CVR No.: 39209349

Registered office: København

Financial year: 01.01.2020 - 31.12.2020

## Board of Directors

Anders Fogh Rasmussen, Chairman

Klaus Søgaard

Fritz Henrik Schur

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management

The Board of Directors have today considered and approved the annual report of Alliance Of Democracies Foundation, Fond for the financial year 01.01.2020 - 31.12.2020.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 23.06.2021

## Board of Directors

**Anders Fogh Rasmussen**  
Chairman

**Klaus Søgaard**

**Fritz Henrik Schur**

# Independent auditor's report

## To the Board of Directors of Alliance Of Democracies Foundation, Fond

### Opinion

We have audited the financial statements of Alliance Of Democracies Foundation, Fond for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial

Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 23.06.2021

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Stine Eva Grothen**

State Authorised Public Accountant  
Identification No (MNE) mne29431

# Management commentary

## Primary activities

The Alliance of Democracies (AoD) was formed to strengthen the backbone of the world's democracies in the face of growing challenges from within and without. If democracy declines, peace, prosperity and freedom will be placed at risk. The AoD unites the world's democracies in defense of common values.

## Development in activities and finances

The covid-19 pandemic has had a great impact on the world. It has changed the way we live our lives and how political leaders are making decisions at local, national and global level. The pandemic threatens to accelerate the global trends of democratic backsliding and weakening respect for human rights. In such a time, the Alliance of Democracies Foundation's work for the defense of democracy, freedom and true information is more important than ever. The foundation has continued its operations in its main programs in the virtual public space and has successfully established itself as one of the key virtual platforms for public policy debates on democracy-related issues.

The Copenhagen Democracy Summit 2020 was held June 18-19 2020, and by switching to a virtual platform, we were able to host democracy defenders and supporters from around the world including President of the Republic of China (Taiwan) Dr. Tsai Ing-wen, US Secretary of State Michael R. Pompeo, European Commission Vice-President Věra Jourová, NATO Deputy Secretary General Mircea Geoana, Former US Secretary of States John Kerry and Madeleine Albright, Australian Prime Minister (2015-2018) Malcolm Turnbull, Chairman of Novo Nordisk Foundation Lars Rebien Sørensen, Microsoft President Brad Smith, Hong Kong freedom activist Joshua Wong, and many more.

The original conference was scheduled to host 500 participants in person. By switching to virtual, we were able to expand the scope and had over 1.500 registered participants from over 50 countries. The Summit had over 700.000 reaches from various social medial platforms. In addition, the virtual nature of the event positively pushed up the number of followers on social media platforms, enabling the foundation to reach an even larger audience in its future activities.

The foundation has launched its first Democracy Tech Entrepreneur Fellowship program. The fellowship is established against the backdrop that all technological innovations can embrace democracy as a design and business principle. The fellowship is a four-months virtual and in-person program that seeks to equip Democracy Tech entrepreneurs from emerging democracies with the know-how of starting and scaling successful, democratically driven ventures. The fellowship is driven by three key elements: Collective learning, peer to peer mentoring, and building strong networks among entrepreneurs. Six entrepreneurs from Ukraine, Georgia, and Moldova have been selected as fellows and will conclude the program at the Copenhagen Democracy Summit 2021.

The Transatlantic Commission on Election Integrity (TCEI) successfully continued its important work in 2020. TCEI was formed to prevent and combat the ongoing wave of foreign election meddling. It unites leading figures - co-founded by Anders Fogh Rasmussen and Joe Biden - from political, business, media and tech backgrounds on both sides of the Atlantic. Across party divides, TCEI aims on raising awareness of this global threat, identifying cross-sector efforts to counter malign meddling and preparing democratic societies for future technological developments such as Artificial Intelligence.



In October 2020, TCEI successfully launched a broad engagement during the parliamentary elections in Georgia (Europe). TCEI invited all democratic candidates to take its Pledge for Election Integrity and launched the Pledge during a high-level event with the President of the Georgian Parliament. In conjunction, TCEI launched its online media literacy game "The Disinformation Diaries", both in English and in Georgian, in which players learn how disinformation and deepfakes can be misused to undermine democratic elections. The engagement has been concluded by the publication of the TCEI "Election Risk Monitor"-report summarizing the Georgian elections was published as a conclusion to the engagement.

For 2021, the TCEI flagship project will be a broad engagement ahead of the German federal elections in September deploying localized editions of the Election Pledge and the Disinformation Diaries as well as media literacy activities and election security workshops for party campaigns, candidates and the German media.

The Alliance of Democracies' overall goal for 2021 is to help set the agenda on global democracy. The Biden-administration has announced a Summit of Democracy expectedly in late 2021, and the United Kingdom is hosting the Group of 7 (G-7) and plans to expand that into a Democracies-10 circle including Australia, India and South Korea this summer. We are excited that several practical efforts into shaping an alliance of democracies are in the works, and the Alliance of Democracies Foundation will aim to set the agenda and contribute to these positive developments.

We need support for our important work, and we would like to thank our partners and supporters who play an indispensable part in enabling the foundation to fulfill its mission.

The foundation has a surplus of DKK 328 thousand, which the management considers satisfactory.

### **Statutory report on foundation governance**

Section 60 of the Danish Act on Commercial Foundations requires the Foundation's Executive Committee to consider the recommendations of the Committee on Foundation Governance under the Comply or Explain approach. The Executive Committee has reviewed and considered each recommendation, as stated below.

Nr. 1.1 It is recommended that the board of directors adopt principles for external communication that address the need for transparency and stakeholders' needs and possibilities to obtain relevant up-to-date information about the circumstances of the foundation.

The foundation is compliant.

Nr. 2.1.1 It is recommended that, in order to secure the activities of the commercial foundation in accordance with the purposes and interests of the foundation, the board of directors should, at least once a year, take a position on the overall strategy and distribution policy of the foundation on the basis of the articles of association.

The foundation is compliant.

Nr. 2.1.2 It is recommended that the board of directors regularly address whether the foundation's asset management is in line with the purpose of the foundation and its long- and short-term needs.

The foundation is compliant.

Nr. 2.2.1 It is recommended that the chairman of the board of directors organise, convene and chair meetings of the board of directors in order to ensure effective board work and to establish the best conditions for the work of the board members, individually and collectively.

The foundation is compliant.

Nr. 2.2.2 It is recommended that if the board of directors, in exceptional cases, asks the chairman of the board of directors to perform special activities for the commercial foundation which extend beyond the duties of chairman, a board resolution to that effect be passed to ensure that the board of directors maintains its independent, general management and control function. Appropriate allocation of responsibilities should be ensured between the chairman, the vice-chairman, the other members of the board of directors and the executive board, if any.

The foundation is compliant.

Nr. 2.3.1 It is recommended that the board of directors regularly, and at least every second year, assess and stipulate the competences that the board of directors needs to possess in order to best perform the tasks incumbent upon the board of directors.

The foundation is compliant.

Nr. 2.3.2 It is recommended that, with due respect of any right in the articles of association to make appointments, the board of directors approves a structured, thorough and transparent process for selection and nomination of candidates for the board of directors.

The foundation is compliant.

Nr. 2.3.3 It is recommended that members of the board of directors are appointed on the basis of their personal qualities and competences, taking into account the collective competences of the board, and when composing and nominating new members of the board the need for introducing new talent is weighed against the need for continuity and the need for diversity in relation to commercial and grants experience, age and gender.

The foundation is compliant.

Nr. 2.3.4 It is recommended that in the management commentary in the annual report and on the commercial foundation's website, if any, there is an account of the composition of the board of directors, including its diversity, and that the following information is provided on each board member:

- the name and position of the member,
- the age and gender of the member,
- date of original appointment to the board whether the member has been re-elected, and expiry of the current election period,
- any special competences possessed by the member,
- other managerial positions held by the member, including positions on executive boards, boards of directors and supervisory boards and board committees in Danish and foreign foundations, enterprises and institutions, as well as other demanding organisation tasks,
- whether the member owns shares, options, warrants and similar in the foundation's subsidiaries and/or associated companies,
- whether the member has been appointed by authorities/providers of grants etc., and
- whether the member is considered independent.

The foundation is non compliant.

The foundation does not inform of the boards other management positions. As the board work required in the foundation does not require a significant time effort, it is not considered relevant to disclose other management positions. Furthermore, this information is widely available to the public elsewhere. However, the board focuses on whether the relevant competencies are present as well as on the members' active participation in the meetings.

Nr. 2.3.5 It is recommended that the majority of the members of the board of directors of the commercial foundation are not also members of the board of directors or executive board of the foundation's subsidiary(ies), unless it is a fully owned actual holding company.

The foundation is compliant.

Nr. 2.4.1 It is recommended that an appropriate proportion of the board of directors be independent. If the board of directors (excluding employee representatives) is composed of

- up to four members, at least one member should be independent,
- between five and eight members, at least two members should be independent, or
- nine to eleven members, at least three members should be independent, and so on.

To be considered independent, this person may not, for example:

- be or within the past three years have been member of the executive board, or senior employee in the foundation, or an essential subsidiary or associated company to the foundation,
- within the past five years have received larger emoluments, including distributions or other benefits from the foundation/group or a subsidiary or associated company to the foundation in other capacity than as member of the board of directors or executive board of the foundation,
- within the past year have had a significant business relationship (e.g. personal or indirectly as partner or employee, shareholder, customer, supplier or member of the executive management of companies with corresponding connection) with the foundation/group or a subsidiary or associated company to the foundation,
- be or within the past three years have been employed or partner at the external auditor,
- have been a member of the board of directors or executive board of the foundation for more than 12 years,
- be a close relative of, or in some other way be especially close to, persons who are not considered independent,
- be the founder or a significant donor if the purpose of the foundation is to grant support to this person's family or others who are especially close to this person, or
- be a member of the management of an organisation, another foundation or similar, which receives or repeatedly within the past five years has received significant donations from the foundation.

The foundation is compliant.

Nr. 2.5.1 It is recommended that members of the board of directors be appointed for a minimum period of two years and a maximum period of four years.

Board members are appointed for a maximum of four years according to the foundations articles of association. It does not apply to Anders Fogh Rasmussen personally, as he is entitled to remain in the Board for as long as he lives.

Nr. 2.5.2 It is recommended that an age limit for members of the board of directors be set, which is published in the management commentary or on the foundation's website.

There is an age limit for the members of the board in the foundations articles of association, whereby the Board members are obliged to terminate their duties at the end of the month in which they reach the age of 80. It does not apply to Anders Fogh Rasmussen personally, as he is entitled to remain in the Board for as long as he lives.

Nr. 2.6.1 It is recommended that the board of directors establish an evaluation procedure in which the board of directors, the chairman and the contributions and performance of individual members are evaluated annually, and the result is discussed by the board of directors.

The foundation is compliant.

Nr. 2.6.2 It is recommended that once a year the board of directors evaluate the work and performance of the executive board and/or the administrator (where relevant) in accordance with predefined clear criteria.

The foundation is compliant.

Nr. 3.1.1 It is recommended that the members of the board of directors of commercial foundations be remunerated with a fixed remuneration and that members of an executive board, if any, be remunerated with a fixed remuneration, possibly combined with a bonus which should not be dependent upon accounting results. The remuneration should reflect the work and responsibilities consequential to the position.

The Board of directors receive no remuneration.

Nr. 3.1.2 It is recommended that the financial statements provide information about the full remuneration received by each member of the board of directors and any executive board from the commercial foundation and from the foundation's subsidiaries and associated companies. Furthermore there should be information on any other remuneration which members of the board of directors and any executive board have received for performing other work or tasks for the foundation, the foundation's subsidiaries or associated companies, except for the remuneration of employee representatives as employees.

The Board of directors receive no remuneration.

	<b>Anders Fogh Rasmussen</b>	<b>Klaus Søgaard</b>	<b>Fritz Henrik Schur</b>
<b>Occupation</b>	CEO Rasmussen Global	Partner, Gorrissen Federspiel	CEO Fritz Schur Group
<b>Birth year</b>	1953	1955	1951
<b>Gender</b>	Male	Male	Male
<b>Joined the Board</b>	21.12.2017	21.12.2017	21.12.2017
<b>Particular skills</b>	Geopolitics, global leadership	Regulatory & legal advisory, capital markets	Business management, foundation leadership
<b>Dependent/ Independent</b>	Dependent	Independent	Independent

### Statutory report on distribution policy

The Foundation makes no distribution.

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

# Income statement for 2020

	Notes	2020 DKK	2019 DKK
<b>Gross profit/loss</b>		<b>2,374,221</b>	<b>2,095,338</b>
Staff costs	1	(1,919,843)	(1,696,021)
<b>Operating profit/loss</b>		<b>454,378</b>	<b>399,317</b>
Other financial income	2	2,798	0
Other financial expenses	3	(41,785)	(48,116)
<b>Profit/loss before tax</b>		<b>415,391</b>	<b>351,201</b>
Tax on profit/loss for the year	4	(87,268)	(77,932)
<b>Profit/loss for the year</b>		<b>328,123</b>	<b>273,269</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		328,123	273,269
<b>Proposed distribution of profit and loss</b>		<b>328,123</b>	<b>273,269</b>

# Balance sheet at 31.12.2020

## Assets

	Notes	2020 DKK	2019 DKK
Trade receivables		0	934,003
Other receivables		218,236	249,218
Income tax receivable		12,732	0
Prepayments		181,111	265,901
<b>Receivables</b>		<b>412,079</b>	<b>1,449,122</b>
<b>Cash</b>		<b>2,133,520</b>	<b>1,504,777</b>
<b>Current assets</b>		<b>2,545,599</b>	<b>2,953,899</b>
<b>Assets</b>		<b>2,545,599</b>	<b>2,953,899</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2020 DKK</b>	<b>2019 DKK</b>
Contributed capital		300,000	300,000
Retained earnings		1,054,515	726,392
<b>Equity</b>		<b>1,354,515</b>	<b>1,026,392</b>
Other payables		168,869	59,785
<b>Non-current liabilities other than provisions</b>	<b>5</b>	<b>168,869</b>	<b>59,785</b>
Prepayments received from customers		385,130	0
Trade payables		378,626	1,522,681
Income tax payable		0	77,932
Other payables		258,459	267,109
<b>Current liabilities other than provisions</b>		<b>1,022,215</b>	<b>1,867,722</b>
<b>Liabilities other than provisions</b>		<b>1,191,084</b>	<b>1,927,507</b>
<b>Equity and liabilities</b>		<b>2,545,599</b>	<b>2,953,899</b>



# Statement of changes in equity for 2020

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	300,000	726,392	1,026,392
Profit/loss for the year	0	328,123	328,123
<b>Equity end of year</b>	<b>300,000</b>	<b>1,054,515</b>	<b>1,354,515</b>

# Notes

## 1 Staff costs

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	1,697,056	1,541,943
Pension costs	117,447	86,854
Other social security costs	14,011	9,183
Other staff costs	91,329	58,041
	<b>1,919,843</b>	<b>1,696,021</b>
Average number of full-time employees	<b>4</b>	<b>3</b>

## 2 Other financial income

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Exchange rate adjustments	2,798	0
	<b>2,798</b>	<b>0</b>

## 3 Other financial expenses

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Other interest expenses	20,059	3,723
Exchange rate adjustments	21,726	44,393
	<b>41,785</b>	<b>48,116</b>

## 4 Tax on profit/loss for the year

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	87,268	77,932
	<b>87,268</b>	<b>77,932</b>

## 5 Non-current liabilities other than provisions

	<b>Due after more than 12 months 2020 DKK</b>
Other payables	168,869
	<b>168,869</b>

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Income statement

### Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and external expenses.

### Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

**Staff costs**

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

**Other financial income**

Other financial income comprises interest income, including payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

**Other financial expenses**

Other financial expenses comprise interest expenses, including payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

**Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

**Balance sheet****Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

**Tax payable or receivable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

**Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Cash**

Cash comprises cash in hand and bank deposits.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

**Prepayments received from customers**

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.